NOBLE CLEAN FUELS LIMITED

UK Registered Number: 06810620

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

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COMPANY INFORMATION

DIRECTORS
Matthew Philip Hopkins (Appointed 31 July 2019)
Paul Alan Jackaman (Resigned on 31 July 2019)
Jeffrey Mark Alam

COMPANY SECRETARY
Chee Ying Lim

INDEPENDENT AUDITOR
Ernst & Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

REGISTERED OFFICE
Office 6.01 Nova North
11 Bressenden Place
London
SW1E 5BY, UK

STRATEGIC REPORT

The directors present their Strategic report of Noble Clean Fuels Limited (the "Company") for the year ended 31 December 2018.

BUSINESS REVIEW

Noble Clean Fuels Limited (the "Company") was incorporated on 5 February 2009. The Company made a loss after taxation of US$60,371k (2017: US$183,930k) for the year ended 31 December 2018.

The principal activity of the Company is trading in energy commodities. The Company trades in refined oil products and liquefied natural gas. It trades physical commodities directly with other trading companies.

The Company's immediate parent is Noble Netherlands B.V.. Following Noble Group's restructuring effective 20 December 2018, the Company's ultimate holding company was changed from Noble Group Limited to Noble Group Holdings Limited, a company incorporated in Bermuda.

The loss in 2018 was primarily driven by increased constraints on the Company's cash funding. This resulted in restrictions in the working capital available for the Liquid Natural Gas (LNG) activities. Noble Group's restructuring effective 20 December 2018 can minimise the funding constraints to focus on the profitable core business going forward.

As at 31 December 2018, the Company has recorded current liabilities of US$300 million (2017: US$429 million) and had interest-bearing loans outstanding with Noble Resources Limited and Noble Europe Limited for US$56,832k (2017: US$153,899k) and US$142,113k (2017: US$145,000k) respectively, of which all is due for repayment within one year.

The Company is reliant on the continuing financial support of Noble Group Holdings Limited ("NGHL" or "the Group"), its ultimate parent company.

The Directors of the Company have given careful consideration to the future liquidity of the Company as to whether the Company will be able to meet its financial obligations for the foreseeable future, including obtaining financial support from the ultimate holding company to satisfy its obligations as and when they fall due. The Directors are of the opinion that the Company will be able to meet its financial obligations as they fall due for the foreseeable future, and accordingly, are satisfied that it is appropriate to prepare these financial statements on a going concern basis. The ability of the Company to continue as a going concern is dependent on its ability to maintain appropriate levels of funding to meet its commitments so that it can support its business. This in turn is dependent on the continuing financial support from Noble Group Holdings Limited ("NGHL"). As a result, NGHL has provided a letter of support to NCFL. NGHL's results to date and net assets are sufficient to support the Company. Further details of the Group's financial information can be found on the Group's website www.thisisnoble.com.

KEY PERFORMANCE INDICATORS

The Companies Act 2006 requires directors to disclose the Company's key performance indicators (KPIs). Overall NCFL KPIs are as follows:

	2018 US$'000	2017 US$'000
Revenue from continuing operations	115,751	535,935
Loss before taxation from continuing operations	(60,371)	(93,540)
Loss for the year from continuing and discontinued operations	(60,371)	(183,930)
Equity	(165,988)	(88,508)

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The activity of trading is centred upon entering into and managing market, credit, operating and liquidity risks. Trading teams in the Company are authorised to enter into levels of risk depending on their skills and level of experience.

Market risk is reduced by hedging using derivatives and other financial instruments. Market risk is measured using stop losses, exposure and volume limits, and value-at-risk models. Credit risk is measured and managed by limiting the amount of credit concentrated in counterparties.

The leadership of the Company monitors the levels of risk on a daily basis and intervenes whenever necessary. Further details on the nature of the risks faced by the Company are disclosed in note 20 to the financial statements.

Approved by board and signed on its behalf by:

Matthew Philip Hopkins
Director
13 November 2019

Registered office:
Office 6.01 Nova North
11 Bressenden Place
London,
SW1E 5BY, UK

DIRECTORS' REPORT

The directors present their Directors' report and the financial statements of Noble Clean Fuels Limited for the year ended 31 December 2018.

DIRECTORS' AND THEIR INTERESTS

The directors of the Company who served during the year are as listed on page 3.

None of the directors had any interest in the shares of the Company during the year ended 31 December 2018 or the year ended 31 December 2017.

OUTLOOK

The Company has made a loss in the current year and as at 31 December 2018, the Company has recorded current liabilities of US$300 million (2017: US$429 million) and had interest-bearing loans outstanding with Noble Resources Limited and Noble Europe Limited for US$57 million (2017: US$154 million) and US$142 million (2017: US$145 million) respectively, of which all is due for repayment within one year.

The Directors of the Company have given careful consideration to the future liquidity of the Company as to whether the Company will be able to meet its financial obligations for the foreseeable future, including obtaining financial support from the ultimate holding company to satisfy its obligations as and when they fall due. The Directors are of the opinion that the Company will be able to meet its financial obligations as they fall due for the foreseeable future, and accordingly, are satisfied that it is appropriate to prepare these financial statements on a going concern basis. The ability of the Company to continue as a going concern is dependent on its ability to maintain appropriate levels of funding to meet its commitments so that it can support its business. This in turn is dependent on the continuing financial support from Noble Group Holdings Limited ("NGHL"). As a result, NGHL has provided a letter of support to NCFL. NGHL's results to date and net assets are sufficient to support the Company. Further details of the Group's financial information can be found on the Group's website www.thisisnoble.com.

The Company's business activities, together with the factors likely to affect its future development and its financial position are described in the principle risks and uncertainties section of the Strategic Report and note 20 of the financial statements.

DIVIDENDS

The Company has not declared any dividends during the current or prior year. The directors do not propose the payment of a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are disclosed in the Strategic Report and note 20 of the financial statements.

DIRECTORS' INDEMNITY

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006.

POLICY AND PRACTICE WITH RESPECT TO PAYMENT OF SUPPLIERS

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the Company and its suppliers, provided that all relevant trading terms and conditions have been complied with.

The average creditor payment period for the year ended 31 December 2018 for the Company was 31 days (2017: 11 days).

APPOINTMENT OF AUDITOR

A resolution to reappoint Ernst & Young LLP will be placed before the members at the Annual General Meeting.

DIRECTORS' REPORT (continued)

SUBSEQUENT EVENT REVIEW

Events subsequent to 31 December 2018 that would materially affect the financial statements are included in note 27.

POLITICAL DONATIONS

The Company did not make any political donations during the year (2017: US$ nil)

EMPLOYEES

Information about employees is disclosed in note 6 to the financial statements.

DIRECTORS STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were members of the board at the time of approving the Directors' Report are listed on page 3. Having made enquiries of fellow directors and the Company's auditor, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is information needed by the auditors in connection with preparing their report) of which the Company's auditor is unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' Report comprising page 6 and 7 including the sections of the financial statements referred to in these pages, has been approved by the Board and signed on its behalf by:

Matthew Philip Hopkins
Director
13 November 2019

Registered office:
Office 6.01 Nova North
11 Bressenden Place
London,
SW1E 5BY, UK

RESPONSIBILITIES OF THE DIRECTORS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the loss for that period. In preparing these financial statements, the directors are required to:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies in accordance with *IAS 8: Accounting policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements that are reasonable;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- state whether the Company financial statements have been prepared in accordance with IFRSs as adopted by the European Union.

The directors confirm that they have complied with the above requirements and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matthew Philip Hopkins
Director
13 November 2019

Registered office:
Office 6.01 Nova North
11 Bressenden Place
London,
SW1E 5BY, UK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE CLEAN FUELS LIMITED

Opinion

We have audited the financial statements of Noble Clean Fuels Limited for the year ended 31 December 2018 which comprise Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 27 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOBLE CLEAN FUELS LIMITED (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Kiran Jamil (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 14 November 2019

INCOME STATEMENT
For the year ended 31 December 2018

	Notes	2018 US$'000	2017 US$'000
Revenue	4	115,751	535,935
Cost of sales		(151,792)	(578,616)
Gross loss		**(36,041)**	**(42,681)**
Selling, administrative and operating expenses	5	(16,912)	(12,410)
Other income		1,898	-
Operating loss before interest and taxation		**(51,055)**	**(55,091)**
Finance income	9	1,494	382
Finance costs	9	(10,773)	(39,634)
Share of profit in joint venture	23	(37)	803
Loss before taxation from continuing operations		**(60,371)**	**(93,540)**
Income tax expense	10	-	(34,456)
Loss after tax for the year from continuing operations		**(60,371)**	**(127,996)**
Discontinued operations			
Loss after tax for the year from discontinued operations	11	-	(55,934)
Loss for the year		(60,371)	(183,930)

Loss for the year is attributable to the owners of the parent company.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	2018 US$'000	2017 US$'000
Loss for the year	(60,371)	(183,930)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Change in value of available-for-sale financial assets	-	23
Exchange differences on translation of foreign operations	(62)	(250)
Other comprehensive income for the year	**(62)**	**(227)**
Total comprehensive loss for the year	**(60,433)**	**(184,157)**

Comprehensive loss for the year is attributable to the owners of the parent company.

The notes on pages 15 to 42 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	2018 US$'000	2017 US$'000
Assets			
Non-current assets			
Derivative financial instruments	19	2,800	34,722
Investment in subsidiary	22	35	35
Investment in joint venture	23	2,361	2,534
Total non-current assets		**5,196**	**37,291**
Current assets			
Prepayments	13	-	94
Trade and other receivables	14	117,155	174,302
Derivative financial instruments	19	9,580	6,589
Short term investments	21	1,865	1,471
Cash & cash equivalents	15	292	120,778
Total current assets		**128,892**	**303,234**
TOTAL ASSETS		**134,088**	**340,525**
Equity and liabilities			
Share capital	16	21,866	21,866
Share premium		387,000	387,000
Retained earnings	17	(577,048)	(499,996)
Foreign currency translation reserve		2,194	2,256
Available-for-sale reserve		-	366
Equity attributable to shareholders of the Company		**(165,988)**	**(88,508)**
Current liabilities			
Trade and other payables	18	300,076	429,033
Total current liabilities		**300,076**	**429,033**
Total liabilities		**300,076**	**429,033**
TOTAL EQUITY AND LIABILITIES		**134,088**	**340,525**

These financial statements were approved by the Board of Directors on 13 November 2019.

Signed on behalf of the Board of Directors

Matthew Philip Hopkins
Director
13 November 2019

The notes on pages 15 to 42 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Notes	2018 US$'000	2017 US$'000
Cash flows from operating activities			
Loss before taxation from continued operations		(60,371)	(93,540)
Loss before taxation from discontinued operations	11	-	(55,934)
Loss before taxation		**(60,371)**	**(149,474)**
Adjustments to reconcile loss for the year to net cash flow from /(used in) operating activities:			
Amortisation of intangible assets	12	-	640
Intangible assets written off	12	-	893
Finance income	9	(1,494)	(1,587)
Finance cost	9	10,773	39,637
Share of profit in joint venture	23	37	(803)
Gain on short-term investments measured at FVTPL	21	(394)	-
Movement in expected credit loss allowance	14	(6,474)	
Working capital adjustments:			
Decrease on assets held associated with discontinued operations		-	184,995
Decrease in liabilities directly associated with discontinued operations		-	(140,742)
Decrease in derivative assets/liabilities	19	28,931	3,105
Decrease in inventories		-	256,303
Decrease in prepayments	13	94	7,411
Decrease in trade and other receivables	14	46,574	95,143
Decrease in trade and other payables	18	(29,003)	(504,155)
Interest paid		(10,773)	(39,637)
Interest received		1,494	1,587
Net cash (used in)/from operating activities		**(20,606)**	**(246,684)**
Cash flows from investing activities			
Dividend received from joint venture	23	-	10,648
Repayment of working capital contribution from joint venture	23	-	15,223
Net cash flows from investing activities		**-**	**25,871**
Cash flows from financing activities			
(Repayment)/proceeds from intercompany borrowings	18	(99,954)	297,952
Net cash flows from financing activities		**(99,954)**	**297,952**
Net increase in cash and cash equivalents		(120,560)	77,139
Net exchange differences		74	(250)
Cash and cash equivalents at the beginning of the year		120,778	43,889
Cash and cash equivalents at the end of the year		**292**	**120,778**

Analysis of balances of cash and cash equivalents

		2018 US$'000	2017 US$'000
Bank balance	15	292	120,778
Cash & cash equivalents		**292**	**120,778**

The notes on pages 15 to 42 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Notes	Share capital US$'000	Share premium US$'000	Retained earnings US$'000	Foreign currency translation reserve US$'000	Available-for-sale reserve US$'000	Total US$'000
As at 1 January 2017		11,866	-	(316,066)	2,506	343	(301,351)
Loss for 2017		-	-	(183,930)	-	-	(183,930)
Issue of share capital		10,000	387,000				397,000
Other comprehensive income for 2017		-	-	-	(250)	23	(227)
At 31 December 2017		**21,866**	**387,000**	**(499,996)**	**2,256**	**366**	**(88,508)**
Impact of IFRS9 on opening equity							
- Financial assets at fair value through the profit and loss	2 (a)			366		(366)	-
- Expected credit losses	2 (a)			(17,047)			(17,047)
Restated opening balance as at 1 January 2018		**21,866**	**387,000**	**(516,677)**	**2,256**	**-**	**(105,555)**
Loss for 2018	17	-	-	(60,371)	-	-	(60,371)
Other comprehensive income for 2018		-	-	-	(62)	-	(62)
At 31 December 2018		**21,866**	**387,000**	**(577,048)**	**2,194**	**-**	**(165,988)**

The notes on pages 15 to 42 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2018

1. General information

Noble Clean Fuels Limited (the "Company") is a company incorporated in the United Kingdom, on 5th February 2009, with limited liability and domiciled in the United Kingdom. The Company is a wholly owned subsidiary of Noble Netherlands B.V., a company registered in the Netherlands. The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, is Noble Group Holdings Limited.

Following Noble Group's restructuring effective 20 December 2018, the Company's ultimate holding company was changed from Noble Group Limited to Noble Group Holdings Limited, a company incorporated in Bermuda. Related companies in these financial statements refer to members of Noble Group Limited and Noble Group Holdings Limited's group of companies (the "Group").

The Company's registered office is located at Office 6.01 Nova North ,11 Bressenden Place, London, SW1E 5BY, United Kingdom.

The principal activity of the Company is commodity trading.

The financial statements were prepared by the Board and authorised for issue on 13 November 2019. Neither the Company's owners nor others have powers to amend the financial statements after issue.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of certain financial instruments which have been measured at fair value. The financial statements are presented in US dollars (US$), the functional currency of the Company, and all financial information has been rounded to the nearest thousand dollars (US$'000) except when otherwise indicated.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted by the European Union up to 31 December 2018, and in accordance with the provisions of the Companies Act 2006.

Group accounts are not submitted as the company is exempt from the obligation to prepare group accounts under Section 400 (1) of the Companies Act 2006. The results of subsidiary and associated undertakings are included within the consolidated accounts of the ultimate parent undertaking, Noble Group Holdings Limited, a company registered in Bermuda. These accounts present information about the Company as an individual undertaking.

a) New and amended standards adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 January 2018. The adoption of these standards, except IFRS 9 did not have any effect on the financial performance or position of the Company. The nature of the changes as a result of adoption of IFRS 9 is described below.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Company applied IFRS 9 retrospectively, with an initial application date of 1 January 2018. The Company has not restated comparative information which continues to be reported under IAS 39 and the disclosure requirements of IFRS 7 Financial Instruments: Disclosures relating to items within the scope of IAS 39. The impact arising from IFRS 9 adoption was included in the opening retained earnings at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

2. Basis of preparation (continued)

a) New and amended standards adopted by the Company (continued)

IFRS 9 Financial Instruments (continued)

Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under IAS 39. The only impact has been that listed equity investments classified as AFS financial assets as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.

Impairment

The assessment of the Company's business model was made as of the date of initial application, 1 January 2018. Upon adoption of IFRS 9, the classification and measurement of financial assets which are debt instruments depends on two assessments: the financial asset's contractual cash flow characteristics and the entity's business model for managing the financial asset.

The Company has assessed that majority of the receivables pass the contractual cash flow characteristics and business model tests of IFRS 9 and will continue to be recorded at amortised cost. However, should the receivables not pass the abovementioned tests, they will be reclassified as financial assets at fair value through profit or loss.

The following are the changes in the classification of the Company's financial assets:

Trade and other receivables, long term receivables and amounts due from related companies as at 31 December 2017 that are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest, are classified and measured at amortised cost beginning 1 January 2018.

There are no changes in classification and measurement for the Company's financial liabilities beginning 1 January 2018.

The quantitative impact of applying IFRS 9 for the impacted financial assets as at 1 January 2018 is disclosed in the table below.

	IAS 39 measurement				IFRS 9	
	Category	Amount	Re-classification	Re-measurement	Amount	Category
		US$'000	US$'000	US$'000	US$'000	
Financial Assets						
Trade and other receivables	L&R [1]	174,302		17,047	157,255	AC [2]
Equity and reserves						
Retained deficit		499,996		17,047	517,043	

[1] L&R: Loans and receivables
[2] AC: Financial assets or financial liabilities at amortised cost

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

2. Basis of preparation (continued)

a) New and amended standards adopted by the Company (continued)

IFRS 9 Financial Instruments (continued)

The impact of transition to IFRS 9 on the Retained deficit is as follows:

	Retained deficit
	US$'000
Closing balance under IAS 39 (31 December 2017)	499,996
Recognition of IFRS 9 ECLs	17,047
Opening balance under IFRS 9 (1 January 2018)	**517,043**

Changes to the impairment calculation
The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. The Company adopted a so-called simplified approach to trade receivables impairments and a general approach to loan impairments.

Upon adoption of IFRS 9, the Company recognised additional impairment of US$17,047,074, which resulted in an increase in retained deficit as at 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 and its amendments replace IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers.

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including the disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note to the financial statements. As a result of the application of IFRS 15, the Company has changed its accounting policy with respect to revenue recognition in note 3 (f) to the financial statements.

The Company has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company has elected to apply the standard to contracts that are not completed as at 1 January 2018. This has had no impact to the company as no sales were made with provisional pricing as at 31 December 2017.

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The directors do not anticipate, in light of the circumstances prevailing at the date of approval of these financial statements, that the adoption of these standards and interpretations in future periods will have a material impact on the reported profit or net assets of the Company in the period of initial application although the manner in which certain information is presented in the financial statements may change.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

2. Basis of preparation (continued)

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted (continued)

IFRS 16 Leases
IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and
- tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

Amendments to IFRS 9: *Prepayment Features with Negative Compensation*
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted.

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company will apply these amendments when they become effective.

IAS 12 *Income Taxes*
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign currency translation

Items included in the financial statements are measured using the functional currency of the Company, US dollars, which is also the Company's presentation currency.

Transactions in currencies other than US dollars are initially recorded at the rate which closely approximates to the rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Foreign exchange gains and losses on settlement of foreign currency transactions translated at the rate prevailing at the date of the transactions, or the translation of monetary assets and liabilities at year end exchange rates, are taken to the Income Statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction.

The assets and liabilities of foreign operations are translated into US Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation of foreign operations are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(b) Intangible assets

Computer software and IT projects
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The Company only has intangible assets with finite lives, which are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in the accounting estimates. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sale;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it is probable that the asset created will generate future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs and IT projects recognised as assets are amortised over their estimated useful life, the expected useful life of computer software is 3 years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

(c) Inventories

The Company has commodity inventories which are traded in an active market. The inventories are purchased with a view to resale to generate profits from prices changes. Inventory is carried at fair value less costs to sell, and changes in fair value are recognised in the Income Statement in the period in which they arise.

(d) Trade and other receivables

Trade and other receivables are carried at original invoice price (which is the fair value of the consideration receivable) less provision made for impairment of these receivables. The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits held on call or with maturities less than three months, highly liquid investments that are readily convertible into known amounts of cash (which are subject to insignificant risk of changes in value), and bank overdrafts.

The Company places cash with futures brokers to meet the initial and variation margin requirements in respect of its outstanding futures positions on commodity exchanges. The ultimate parent, Noble Group Holdings Limited regards this cash as part of its liquid cash that is used in its daily cash management. For the purpose of the statement of financial position, the whole amount of the cash balance with futures brokers is included as cash and cash equivalents.

(f) Revenue recognition (applicable from 1 January 2018)

From 1 January 2018
The Group is in the business of the commodity trading in which it earns revenue through the physical delivery of commodity cargoes, marketing services and the fuel management services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is principal in its revenue arrangements, except for the agency services below, because the Group controls the goods or services before transferring them to the customer.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when control and risk and rewards of ownership is transferred to the customer, generally on delivery of the goods in accordance with terms. The typical credit terms are 30 to 120 days.

The Company considers whether there are other obligations in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration and consideration payable to the customer (if any).

Prior to 1 January 2018
Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be measured reliably, regardless of when payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods
Revenue from the sale of goods is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of allowances.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

(g) *Finance costs and finance income*

Finance costs comprises interest expense on intercompany borrowing, bank overdraft, and the accumulation of interest on provisions. All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance income comprises interest income on intercompany lending, and bank interest.

(h) *Employee benefits*

The Company makes defined contributions to an external pension fund for a certain category of its employees. Contributions are paid in return for services rendered by the employees during the period. They are expensed as they are incurred in line with the treatment of wages and salaries. The Company also provides a medical insurance scheme and contributes to the National Insurance scheme as applicable per law and Company policy.

As part of the annual compensation review bonus is paid and expensed in the year in which the bonus vests. Bonus can take the form of cash payment or payment in Noble Group Holdings Ltd shares. Payments in cash is expensed over the actual vesting period. Payments in shares to employees are issued with a vesting period.

(i) *Income tax*

Income tax for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items charged or credited directly to equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Estimates are made in determining the provision for taxes at the Statement of Financial Position date. Where the final tax is different from the amounts that were initially estimated and recorded, such differences will impact the income tax expense, the tax liabilities and deferred tax liabilities of the period in which the final tax is agreed with the tax authorities.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss, are not provided for.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

(j) Significant accounting estimates and assumptions

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Taxation
The computation of the Company's income tax expense and liability involves the interpretation of applicable tax laws and regulations. The resolution of tax positions taken by the Company, through negotiations with relevant tax authorities or through litigation, can take several years to complete and in some cases it is difficult to predict the ultimate outcome.

In addition, the Company has carry-forward tax losses and tax credits that are available to offset against future taxable profit. However, deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. Management judgement is exercised in assessing whether this is the case.

To the extent that actual outcomes differ from management's estimates, income tax charges or credits, and changes in current and deferred tax assets or liabilities, may arise in future periods.

Fair value of derivatives and other financial instruments
The fair value of financial instruments that are not traded in an active market (for example, some over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(k) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

(k) Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)
Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

i. Financial assets at amortised cost (debt instruments)
ii. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
iv. Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)
The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

i. The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Company has not designated any financial asset at fair value through OCI (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company has not designated any financial asset at fair value through OCI (equity instruments).

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

3. Summary of significant accounting policies (continued)

(k) Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss (continued)
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

i. The rights to receive cash flows from the asset have expired; or
ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

(k) Financial instruments – initial recognition and subsequent measurement (continued)

Financial assets (continued)

Impairment of financial assets (continued)
For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

(k) Financial instruments – initial recognition and subsequent measurement (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

ii. Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(l) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss in the income statement.

(m) Investment in subsidiary

The investment in subsidiary is stated at cost less accumulated impairment losses, if any. A reversal of an impairment loss on a subsidiary is recognised as it arises provided the increased carrying value does not exceed cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

4. Revenue

	2018 US$'000	2017 US$'000
Revenue from contracts with customers		
- Third parties	26,252	412,103
- Group Companies	88,024	123,832
Other operating revenue from provisional price adjustment	1,475	-
Total revenue	**115,751**	**535,935**

5. Selling, administrative and operating expenses

	2018 US$'000	2017 US$'000
Employee salaries and associated costs	2,344	5,395
Travel and entertainment	-	80
Information services expenses	415	156
Amortisation of intangible assets	-	640
Professional expenses	480	2,251
Intercompany expense recharges	13,607	3,956
Foreign exchange (gain)/loss	66	(68)
Total selling, administrative and operating expenses	**16,912**	**12,410**

6. Employee information

The average number of employees during the year was 2 (2017: 15).

	2018 US$'000	2017 US$'000
Employee salaries	916	774
Employee bonuses	1,273	4,489
Other staff costs	5	1
Taxes and social security costs	119	105
Pension contributions (defined contributions)	31	26
Total employee cost	**2,344**	**5,395**

During the year ended 31 December 2018 nil (2017: 1,719,303) shares were vested to employees. These share awards were recharged from Noble Group Limited. During the year nil (2017: nil) options were exercised in the year. During the year ended 31 December 2018 the share based expense was nil (2017: US$529,115).

7. Directors' remuneration

The directors of this Company are remunerated by the ultimate parent company, Noble Group Holdings Limited. Each director of the Company was paid an annual fee of GBP100 (2017: GBP100) per annum for his services as a director of this Company.

8. Auditor's remuneration

	2018 US$'000	2017 US$'000
Fee for audit services		
- Current year	392	473
- Prior year	-	-
Total fee for audit services	392	473
- Fee for non audit services	11	-
Total audit remuneration	**403**	**473**

Audit services for 2018 includes an amount of US$139,899, related to the group reporting audit fee. This was paid by the Company on behalf of a sister entity, Noble Resources UK Limited, which was liquidated susbequent to year ended 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

9. Finance income and costs

Finance income	**2018 US$'000**	**2017 US$'000**
Interest income	1,494	382
Total finance income	**1,494**	**382**

Finance costs	**2018 US$'000**	**2017 US$'000**
Interest expense on intercompany borrowings	(10,773)	(39,634)
Total finance costs	**(10,773)**	**(39,634)**

10. Income tax

Major components of the income tax expense for the year are presented below:

	2018 US$'000	**2017 US$'000**
Income tax expense		
Deferred income tax – current year	-	34,456
Total income tax expense	-	**34,456**

A reconciliation of the income tax expense applicable to the accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the periods presented is as follows:

	2018 US$'000	**2017 US$'000**
Income tax expense		
Loss before taxation	(60,371)	(149,474)
At statutory income tax rate of 19.00% (2017: 19.25%)	(11,470)	(28,769)
Expenses not deductible	3,736	104
Share of gain on joint venture	(75)	(155)
Share based payment adjustment	-	(55)
Transfer pricing adjustment	-	308
Corporate interest restriction	42	5,437
Deferred tax asset written off	-	34,456
Amounts not recognised	7,767	23,130
Total income tax expense	-	**34,456**

Recognised deferred tax asset
Details of the deferred taxation asset provided in the financial statements are as follows:

	Unused tax losses US$'000	**Share based payment US$'000**	**Employee benefit trust US$'000**	**Total US$'000**
At 1 January 2017	34,430	26	-	34,456
Credit/(charge) for the year	(34,430)	(26)	-	(34,456)
Charge to equity	-	-	-	-
As at 31 December 2017	-	-	-	-
Credit/(charge) for the year	-	-	-	-
Prior year adjustment	-	-	-	-
As at 31 December 2018	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

10. *Income tax (continued)*

The Company is subject to corporation tax in the United Kingdom on its taxable profits at the rate of 19.00% (2017: 19.25%).

Finance Act 2013 reduced the main rate of corporation tax to 20%, with effect from 1 April 2015. In addition, the Chancellor of the Exchequer announced in the 2015 Summer Budget on 8 July 2015 that the corporation tax rate effective from 1 April 2017 would be 19%. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. Those rates have been substantively enacted as at the balance sheet date.

The phased reduction to the main rate of UK corporation tax is expected to have an impact on the future income statement tax charge of the company as a lower tax rate is applied to taxable profits, and deferred tax assets and liabilities are adjusted to reflect their reversal at a lower rate of corporation tax.

The company did not recognise a potential deferred tax asset on temporary differences in respect of tax losses of US$88,870k (2017: US$81,887k) at the year end, on the basis that the availability of sufficient tax profits arising in the future against which the temporary difference could reverse is not considered probable.

	2018 US$'000	2017 US$'000
Income tax (receivable)/payable		
At 1 January	-	(1)
Corporate income tax - prior year	-	1
At 31 December	-	-

11. Discontinued operations

Discontinued operations include the European Oil Liquids Businesses which have been closed in 2017.

The results of discontinued operations for the year are presented below:

	2018 US$'000	2017 US$'000
Revenue	-	3,472,660
Cost of sales	-	(3,496,544)
Gross loss	-	**(23,884)**
Selling, administrative and operating expenses	-	(33,252)
Loss before interest and taxation	-	**(57,136)**
Finance income	-	1,205
Finance costs	-	(3)
Loss before taxation from discontinued operations	-	**(55,934)**
Income tax	-	-
Loss for the year	-	**(55,934)**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

12. Intangible assets

	2018 US$'000	2017 US$'000
Cost		
At 1 January	10,794	11,687
Write off	-	(893)
At 31 December	**10,794**	**10,794**
Amortisation		
At 1 January	(10,794)	(10,154)
Amortisation for the year	-	(640)
At 31 December	**(10,794)**	**(10,794)**
Net book value	-	-

Intangible assets relate to computer software and capitalised IT projects. The useful life of the computer software and IT projects is as follows:

Computer software: 33% straight line
IT projects: 33% straight line

Computer software and IT projects capitalised have a Useful Economic Life (UEL) of 3 years.

13. Prepayments

	2018 US$'000	2017 US$'000
Prepayments	-	94
Total prepayments	-	**94**

14. Trade and other receivables

	2018 US$'000	2017 US$'000
Trade receivables	42	46,434
Intercompany receivables	123,719	100,810
VAT receivable	3,967	3,926
Other receivables	-	23,132
	127,728	174,302
Less:		
Allowance for ECL	(10,573)	-
Total trade and other receivables	**117,155**	**174,302**

	Notes	2018 US$'000	2017 US$'000
Expected Credit Loss			
As at 1 January		-	-
Provision as at 1 January (restated)	2	(17,047)	-
Write off		2,208	-
Provision for expected credit loss		4,266	-
As at 31 December		(10,573)	-

Details of the terms and conditions of transactions with related parties are shown in note 24

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

15. Cash and cash equivalents

	2018 US$'000	2017 US$'000
Bank balances	292	120,778
Total cash and cash equivalents	**292**	**120,778**

There are no undrawn borrowing facilities.

The carrying value of the Company's cash and cash equivalents as stated above is considered to be a reasonable approximation of their fair value.

16. Share capital and share premium

The Company has two classes of shares: Ordinary shares of £1 each and redeemable shares of US$1 each.

The ordinary shares carry full voting rights, rights to receive dividends and to participate in the surplus assets of the company following a winding up once the preference to the redeemable shares has been satisfied.

Authorised, allotted and called up ordinary shares of GBP£1 each	2018 Number of shares	2017 Number of shares
At 1 January	1,250,000	1,250,000
Increase in authorised share capital	-	-
At 1 December	**1,250,000**	**1,250,000**
	US$'000	**US$'000**
At 1 January	1,866	1,866
Increase in allotted and called up share capital	-	-
At 1 December	**1,866**	**1,866**

The redeemable shares carry no voting rights. The redeemable shares have a right to receive dividends. The shares are redeemable at the option of the Company. In the event of a liquidation, these shares will have preference over ordinary shares and are entitled to an amount equal to the nominal value together with a sum equal to any unpaid declared dividends.

Authorised, allotted and called up redeemable shares of $1 each	2018 Number of shares	2017 Number of shares
At 1 January	20,000,000	10,000,000
Increase in authorised share capital	-	10,000,000
At 1 December	**20,000,000**	**20,000,000**
	US$'000	**US$'000**
At 1 January	20,000	10,000
Increase in allotted and called up share capital	-	10,000
At 1 December	**20,000**	**20,000**

Share premium

	2018 US$'000	2017 US$'000
At 1 January	387,000	-
Increase in share premium during the year	-	387,000
At 31 December	**387,000**	**387,000**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

17. Retained earnings

	2018 US$'000	2017 US$'000
At 1 January	(516,677)	(316,066)
Loss for the year	(60,371)	(183,930)
At 31 December	**(577,048)**	**(499,996)**

18. Trade and other payables

	2018 US$'000	2017 US$'000
Trade payables	13,061	51,158
Trade and other accruals	626	2,281
Intercompany payables	87,444	76,662
Intercompany borrowings	198,945	298,899
Other liabilities	-	33
Total trade and other payables	**300,076**	**429,033**

Details of the terms and conditions of transactions with related parties are shown in note 24.

As at 31 December 2018, the Company had loans outstanding with Noble Resources Limited and Noble Europe Limited for US$56,832k (2017: US$153,899k) and US$142,113k (2017: US$145,000k) respectively, which are repayable on demand.

19. Financial instruments

The accounting classification of each category of financial instruments and their carrying amounts, are set out below. There are no material differences between the carrying value of the Company's financial assets and liabilities and their fair value.

As at 31 December 2018

	Financial assets – loans and receivables US $'000	Financial assets - at fair value through profit or loss US $'000	Financial liabilities – measured at amortized cost US $'000	Total US $'000
Financial assets				
Trade and other receivables	117,155	-	-	117,155
Investments	-	1,865	-	1,865
Derivative financial instruments	-	12,380	-	12,380
Cash and cash equivalents	292	-	-	292
	117,447	**14,245**	-	**131,692**
Financial liabilities				
Trade and other payables	-	-	(300,076)	(300,076)
	-	-	**(300,076)**	**(300,076)**

The listed equity investments classified as financial asset through profit or loss has increased in fair value by US$394k to US$1,865 (2017: US$1,471k).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

19. Financial instruments (continued)

As at 31 December 2017

	Financial assets – loans and receivables US $'000	Financial assets - at fair value through profit or loss US $'000	Financial liabilities – measured at amortized cost US $'000	Total US $'000
Financial assets				
Trade and other receivables	174,302	-	-	174,302
Investments	-	1,471	-	1,471
Derivative financial instruments	-	41,311	-	41,311
Cash and cash equivalents	120,778	-	-	120,778
	295,080	**42,782**	-	**337,862**
Financial liabilities				
Trade and other payables	-	-	(429,033)	(429,033)
	-	-	**(429,033)**	**(429,033)**

The change in fair value of derivative financial instruments is detailed as follows:

	Fair value as of 1st January US$'000	Impact on income US$'000	Settled contracts US$'000	Fair value as of 31st December US$'000
2018	41,311	(28,931)	-	12,380
2017	44,416	(19,170)	16,065	41,311

Fair value through profit or loss

Derivative financial instruments
The Company maintains active trading positions in commodity derivatives. All derivatives are recognised at fair value through profit or loss. Trading activities are undertaken by using a range of contract types in combination to create incremental gains by arbitraging prices between markets, locations and time periods. For derivative products valued using a valuation technique with market observable inputs the most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Investments
The Company holds listed equity investments. This is measured at fair value and any gains and losses are recorded through he profit or loss.

Determination of fair value and fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

19. Financial instruments (continued)

As at 31 December 2018

	Level 1 US $'000	Level 2 US $'000	Level 3 US $'000	Total US $'000
Financial assets				
Derivative financial instruments maturing within one year	-	9,580	-	9,580
Derivative financial instruments maturing after one year	-	2,800	-	2,800
At fair value through profit or loss maturing within one year	1,865	-	-	1,865
	1,865	**12,380**	-	**14,245**
Financial liabilities	-	-	-	-

As at 31 December 2017

	Level 1 US $'000	Level 2 US $'000	Level 3 US $'000	Total US $'000
Financial assets				
Derivative financial instruments maturing within one year	-	6,589	-	6,589
Derivative financial instruments maturing after one year	-	34,722	-	34,722
Available-for-sale financial instrument maturing after one year	1,471	-	-	1,471
	1,471	**41,311**	-	**42,782**
Financial liabilities	-	-	-	-

During the years ended 31 December 2018 and 2017, there were no transfers between levels of the fair value hierarchy.

20. Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are market risk (foreign exchange risk and commodity price risk), credit risk and liquidity risk. These risks arise from exposures that occur in the normal course of business. Noble Group Holdings Limited's overall trading risk program seeks to minimise potential adverse effects on the Group's financial performance by using a range of derivative financial instruments to hedge these risk exposures. As a subsidiary of Noble Group Holdings Limited, Noble Clean Fuels Limited applies the same objectives and methodologies to financial risk management as those adopted by Noble Group Holdings Limited. The Company also uses the Group's Treasury function to manage risks. The responsibilities of the Treasury function include the monitoring of financial risks, management of the Group's cash resources, debt funding programmes and capital structure, and oversight of all significant treasury activities undertaken by the Group.

The Company's accounting policies with regard to financial instruments are detailed in note 3.

a) Market risk

The Board of Directors of Noble Group Holdings Limited has established limits for the level of acceptable market risk. Noble Group Holdings Limited's overall trading risk program seeks to minimise potential adverse effects on the Group's financial performance by using a range of derivative financial instruments to hedge these risk exposures. Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The Company is exposed to market prices movements including oil, oil products, gas, power and other commodity prices (commodity price risk) and foreign currency exchange rates that could adversely affect the value of the Company's financial assets, liabilities or future cash flows.

Noble Group Holdings Limited manages these risks primarily through Value at Risk (VaR). VaR is a statistical estimate of the potential one day loss at a 95% confidence interval on Noble's positions and inventories due to adverse market moves. Certain commodity price risk is not suitable for VaR treatment due to lack of observable and independent pricing and liquidity. The Group uses complementary quantitative measures including stop loss limits on trading activities and absolute stress test on trading positions. Qualitative management of commodity price risk is key to the Group's risk management ethos. The Group has established a Group Risk Committee whose responsibility is to review on a weekly basis the trading activities covering past performance and the near-term outlook.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

20. Financial risk management objectives and policies (continued)

a) Market risk (continued)

Noble Group Holdings Limited manages the VaR methodology for Noble Clean Fuels Limited. The VaR methodology and amount is disclosed in the Noble Group Holdings Limited consolidated financial statements for the year ended 31 December 2018.

i) Interest rate risk

The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess of cash or cash equivalents are invested at short-term interest rates.

The Company's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Any reasonably possible change in interest rates would be expected to have an immaterial effect on the income statement.

ii) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's principal exposure to foreign currency risk comprises its derivative and non-derivative trades priced in currencies other than the functional currency of the Company. The Company enters into derivative transactions for the purposes of hedging against foreign currency risks. Accordingly, the impact arising from foreign currency risk on the Company's trading activities is reduced.

Some of the net assets of the Company are denominated in currencies other than USD, the Company's functional currency, with the effect that the Statement of Financial Position and Income Statement can be significantly affected by currency movements.

The exposure as at 31 December 2018 is as follows:

Currency	Cash and cash equivalents US$'000	Other net assets US$'000	Total US$'000
EUR	1	(8,203)	(8,202)
GBP	1	2,376	2,377
SGD	-	(789)	(789)
ZAR	-	(284)	(284)
Total	2	(6,900)	(6,898)

The exposure as at 31 December 2017 is as follows:

Currency	Cash and cash equivalents US$'000	Other net assets US$'000	Total US$'000
CHF	-	(18)	(18)
CNH	-	(59)	(59)
CNY	-	(2)	(2)
EUR	(1,941)	(95,892)	(97,833)
GBP	493	46,432	46,925
HKD	-	(74)	(74)
JPY	(1,920)	(7,523)	(9,443)
NOK	-	(104)	(104)
SEK	-	(161)	(161)
SGD	-	(501)	(501)
HUF	(14)	-	(14)
CZK	(3)	(0)	(3)
ZAR	-	(332)	(332)
Total	(3,385)	(58,234)	(61,619)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

20. Financial risk management objectives and policies (continued)

a) Market risk (continued)

ii) Foreign exchange risk (continued)

The following tables demonstrate the sensitivity to a reasonably possible change in the USD against the other foreign currency exchange rates with all other variables held constant, of the Company's profit/loss before tax (due to foreign exchange translation of monetary assets and liabilities).

As at 31 December 2018:

Currency	Gain/(loss) if exchange rate increased by 15% US$'000	Gain/(loss) if exchange rate decreased by 15% US$'000
EUR	(1,230)	1,230
GBP	357	(357)
SGD	(118)	118
ZAR	(43)	43

As at 31 December 2017:

Currency	Gain/(loss) if exchange rate increased by 15% US$'000	Gain/(loss) if exchange rate decreased by 15% US$'000
EUR	(14,676)	14,676
GBP	7,039	(7,039)
NOK	(16)	16
SGD	(75)	75
SEK	(24)	24
CHF	(3)	3
JPY	(1,416)	1,416
ZAR	(50)	50
HKD	(11)	11
HUF	(2)	2
CNH	(9)	9

iii) Commodity price risk

Commodity price risk is the risk or uncertainty arising from possible price movements and their impact on the future performance of a business. The Company is exposed to commodity price movements including oil, oil products, gas, power and other commodity prices that could adversely affect the value of the Company's financial assets, liabilities or future cash flows. This risk is managed as part of the Group's market risk management process in which they apply the VaR methodology. This is disclosed in the Noble Group Holdings Limited consolidated financial statements for the year ended 31 December 2018.

b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Exposure to credit risk arises as a result of transactions in the Company's ordinary course of business and is applicable to all financial assets. Counterparties are assessed prior to, during, and after the conclusion of transactions to ensure exposure to credit risk is limited to an acceptable level. The maximum exposure with respect to credit risk is represented by the carrying amount of each financial asset on the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

20. Financial risk management objectives and policies (continued)

b) Credit risk (continued)

Credit risk relating to trade receivables and derivative financial instruments
The Company's exposure to credit risk is in respect of trade receivables and derivative financial instruments. Given the number and geographical spread of the Company's counterparties and the solvency of major counterparties, credit risk is managed by regularly monitoring its exposure to bad debts in order to minimise this exposure.

Counterparty credit risk is addressed by individual counterparty analysis and the creation of risk limits which are monitored on an ongoing basis. A high proportion of counterparties are either investment grade rated or the Company has received a letter of credit from an investment grade rated financial institution. The credit quality of the Company's significant counterparties is monitored on an on-going basis, and receivables that are neither past due nor impaired are considered of high credit quality. The lowest credit rating of a counterparty is CCC+.

Cash is received prior to delivery and transfer of title of the goods for sales to certain counterparties. Sales to these counterparties are made under letters of credit which are obtained prior to delivery and transfer of title of the goods. Payment from customers is subject to provisional pricing and then final pricing adjustments. The Company is therefore exposed to the residual final pricing adjustment for each sales transaction although such amounts are not considered material.

Credit risk related to other financial instruments and cash deposits
Credit risk relating to the Company's other financial assets, comprising principally cash and cash equivalents and intercompany receivables, arises from the potential default of counterparties. Credit risk arising from balances with banks and financial institutions are managed by the Group's Treasury Committee in accordance with a Board approved Treasury Policy. Investments of cash and deposits are made only with approved counterparties of high credit worthiness and within credit limits assigned to each counterparty. These limits are reviewed on a regular basis to take account of developments in financial markets and updated accordingly. The limits are set to minimise the concentration of risks and therefore mitigate any financial loss through potential counterparty failure.

The receivables are from other group companies and the counterparty credit risk is mitigated by continued support from the ultimate parent company. The companies' ultimate parent company, Noble Group Holdings Limited, has agreed to provide financial support when required. There is exposure by virtue of the possible non-performance by group companies.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The table below shows the credit quality and maximum exposure to credit risk based on the Company's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

	2018
	US$'000
Trade and other receivable due from external parties	42
Intercompany receivable	123,719
Cash and cash equivalents	292
	124,053

(ii) Impairment losses

Trade receivables were impaired by US$12.951m as at 31 December 2018 (2017: US$5.5m). As at 31 December 2018 and 31 December 2017, the analysis of external trade and other receivables that were past due date but not impaired is as follows:

	2018	**2017**
	US$'000	**US$'000**
More than 90 days	-	1,250
Not yet due	42	45,184
Total	**42**	**46,434**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

20. Financial risk management objectives and policies (continued)

c) Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. The Company's liquidity is managed centrally by the Group's treasury function. In managing the liquidity risk, the Group has access to a wide range of funding at competitive rates through capital markets and banks.

The Company manages liquidity risk associated with derivative contracts, other than derivative hedging instruments, based on the expected maturities of derivative financial instruments. The majority of the Company's derivatives are traded in recognised financial markets. The Company may also invest in derivatives which may lack an established secondary trading market or are otherwise considered illiquid. Liquidity of a derivative relates to the ability to easily dispose of the derivative and the price to be obtained and does not generally relate to the credit risk or likelihood of receipt of cash at maturity.

The Asset and Liability Committee reviews Noble's funding and liquidity risk on a monthly basis. Exposures and availability under trade and hedging facilities and the day to day management of available liquidity and funding are managed by Group Treasury. Before any transaction is undertaken the Business Units need to obtain clearance from Treasury for any funding or other facility usage.

The Company's financial liabilities (except derivative financial liabilities) are mostly due as at the Statement of Financial Position date and are generally payable over the next 3 months. The contractual undiscounted cash flow maturity of financial liabilities which is different from the carrying amount is included in the table below:

As at 31 December 2018

	Less than 12 months US$'000	Greater than 12 months US$'000	Total US$'000
As at 31 December 2018			
Trade and other payables	300,076	-	300,076
Total	**300,076**	**-**	**300,076**

As at 31 December 2017

	Less than 12 months US$'000	Greater than 12 months US$'000	Total US$'000
As at 31 December 2017			
Trade and other payables	429,033	-	429,033
Total	**429,033**	**0**	**429,033**

d) Capital management

The over-riding objectives of the Company's capital management policies are to safeguard and support the business as a going concern and to maintain an optimal capital structure with a view to maximising returns to the shareholder and benefits to other stakeholders by reducing the Company's cost of capital. There is no externally imposed capital requirement. At 31 December 2018, the capital deficit in the Company amounted to US$165,988k (2017: US$88,508k).

The Company monitors the capital structure and seeks to adjust this as considered appropriate. The Company begins the 2019 financial year able to meet its capital management objective through utilisation of its existing cash balances and the funding from its parent company. There is no externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

20. Financial risk management objectives and policies (continued)

e) Borrowing facility by Trading Hold Co

The Group is organised into business units based on their products and services and has two reporting segments as follows:

a) Trading Hold Co – includes the Group's asset light commodities supply chain management businesses; and
b) Asset Co – includes the Group's strategic investments in the Jamalco joint venture, Harbour Energy along with the palms business and certain vessels.

The Company is an indirect subsidiary of Trading Hold Co. As part of the Noble Group's restructuring, the Company is named as one of the guarantors of the Senior Secured Notes Due 2023 amounting to US$700 million and the New Trade Finance Facility provided to Noble Trade Company amounting to US$600 million. This facility has security amongst others, over:

i. All assets (excluding certain assets as specified therein) of:
   a. Noble Trading Co Limited;
   b. Noble Resources International Pte Ltd;
   c. Noble Resources Limited;
   d. Noble Clean Fuels Limited; and
   e. Noble Resources International Australia Pty Ltd.

   Which are directly financed by the New Trade Finance Facility or the Increased New Trade Finance Facility. As at 31 December 2018, the amount utilised by the Company amounted to US$7.043 million.
ii. Share charge over all of the shares held by Noble Netherlands B.V. in the Company, assignment of all receivables owing by the Company to its immediate holding company, debenture containing a fixed and floating charge over all assets of the Company (excluding certain assets as specified therein), charge over specified bank accounts held in Hong Kong and New York and charge over specified material bank accounts.

21. Investments

	2018 US$'000	2017 US$'000
Available for sale investments		
At 1 January	1,471	1,448
Mark to market adjustment to fair value	394	23
At 31 December	**1,865**	**1,471**

The available for sale investments are investments in CME/NYMEX shares. During 2017, management decided to dispose of these investments and as result these were reclassified to short-term investments. As a result, the process of disposing these investments has been initiated and is expected to be completed in 2020.

22. Investment in subsidiary

The Company acquired 100% of the share capital of Noble Deutschland GmbH (the "Subsidiary"), on 19 April 2012 for €27,500 (US$ 35,000. Noble Deutschland GmbH is a Germany registered company. The Company has elected not to present consolidated financial statements as it meets the exemption criteria as set out in accordance with IAS 27. The Company is also exempt from the requirement to prepare consolidated accounts under the provisions of Section 401 of the Companies Act 2006. The accounts present information about the Company as an individual undertaking and not about its Group. The ultimate controlling party of the Company and the Subsidiary is Noble Group Holding Limited, a company registered in Bermuda. Copies of Noble Group Holding Limited's accounts can be obtained from the Group's head office at 18th Floor, China Evergrande Centre, 38 Gloucester Road, Hong Kong.

The investment in subsidiary is recorded at cost, which is the fair value of the consideration paid. During the year, shareholders of the Subsidiary passed a resolution to liquidate the Subsidiary. As a result, a process for liquidation was initiated on 26 January 2018 and is expected to be complete by January 2020. Subsequent to year end, on 30 October 2019, a resolution was made by the shareholders of subsidiary to distribute a dividend of €3m to the Company.

Shares in investment in subsidiary	2018 US$'000	2017 US$'000
Beginning of the year	35	35
Additions during the year	-	-
End of the year	**35**	**35**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

23. Investment in joint venture

The Company acquired 51% of the issued share capital of Watt Power Limited ("Watt") on 16 January 2014, and subsequently acquired a further 24% on 23 January 2014 taking the Company's total investment in Watt to 75%. The total consideration paid for this series of transactions was £10.1m (£6m for 51% plus £4.1m for an additional 24%).

Watt is a UK incorporated company which has been developing sites on which medium sized UK Power generation plants could be constructed to meet an anticipated shortfall in UK supply. Prior to the series of acquisitions, the Company's relationship with Watt was governed by a Joint Development Agreement (JDA).

The key term of the agreement was that Noble Clean Fuels Limited would fund the development costs associated with Watt's activities up to £6m which was accounted for as a loan receivable in the Company.

The investment in Watt is a joint venture and is accounted for using the equity method.

Subsequent to year end, on 26 March 2019, the Directors of Watt Power Limited approved a dividend distribution of £2m for which the Company is a 75% shareholder.

	2018 US$'000	2017 US$'000
At 1 January	**2,534**	**27,602**
Dividend received	-	(10,648)
Repayment of working capital contribution	-	(15,380)
Foreign currency translation reserve	(136)	157
Share of profit	(37)	803
At 31 December	**2,361**	**2,534**

Summarised statement of financial position of Watt Power Limited:

	2018 US$'000	2017 US$'000
Current assets	3,152	5,039
Non-current assets	67	323
Current liabilities	(71)	(1,983)
Equity	**3,148**	**3,379**
Company's carrying amount of investment	**2,361**	**2,534**

Summarised income statement of Watt Power Limited:

	2018 US$'000	2017 US$'000
Income	1,746	808
Cost	(1,582)	(511)
Gross (loss)/profit	**164**	**297**
Selling, administrative and operating expenses	(213)	520
(Loss)/profit before finance items and taxation	**(49)**	**817**
Finance costs	-	110
Gain on sale of subsidiaries	-	144
Finance income	-	(1)
(Loss)/profit before tax	**(49)**	**1,070**
Income tax expenses	-	-
(Loss)/profit for the year	**(49)**	**1,070**
Total comprehensive (loss)/profit for the year	**(49)**	**1,070**
Company's share of (loss)/profit for the year	**(37)**	**803**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

24. Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties represent associated companies, shareholders, directors and key management personnel of the Company of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management. During the period, the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	2018 US$'000	2017 US$'000
Amounts due from fellow subsidiaries of the ultimate parent	113,625	85,123
Amounts due from the ultimate parent	-	5,591
Amounts due from immediate parent	10,095	10,096
Amounts due to fellow subsidiaries of the ultimate parent	(286,388)	(368,812)
Amounts due to the ultimate parent	-	(6,749)
	(162,668)	(274,751)
Less:		
Allowance for ECL	(10,573)	-
	(173,241)	(274,751)

	2018 US$'000	2017 US$'000
Transactions with fellow subsidiaries of the ultimate parent	88,024	249,539
Transactions with the ultimate parent	4,292	10,734

(a) Amounts due from fellow subsidiaries of the ultimate parent
The amounts due from fellow subsidiaries of the ultimate parent are related to income receivable on trading activity with Noble Resources International Pte Ltd, amount due from PT Energy Coal Prima relates to trading activities for Delores, amount due from Noble Trading Co Limited relates to a transfer of cash margin.

(b) Amounts due from the immediate parent
The receivable due from Noble Netherlands B.V. includes the balance due to the Company for the share capital issued.

(c) Amounts due to fellow subsidiaries of the ultimate parent
The amounts owed to fellow subsidiaries of the ultimate parent are related to intercompany financing provided by Noble Resources Limited and Noble Europe Limited. In addition amount due to Noble Resources Limited relates to transfer pricing. Also amount owed to Noble Resources UK Holdings Limited relates to Noble Americas Corp. balances re-classed to immediate parent company following sale.

(d) Transactions with fellow subsidiaries of the ultimate parent
The transactions with fellow subsidiaries of the ultimate parent are related to trading activity with PT. Energi Coal Prima. It also relates to foreign exchange trading activity with Noble Resources UK Limited.

(e) Transactions with the ultimate parent
The transactions with the ultimate parent are related to service fees for support function staff provided, trading activity, share based payment expenses and letter of credit fees charged with Noble Group Holdings Limited and previous ultimate parent Noble Group Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2018

25. Share Based Payments

The performance share plan, restricted share plan and share option schemes were all cancelled due to the restructuring of the Group.

26. Ultimate controlling party

The Company is 100% owned by Noble Netherlands B.V.. The ultimate controlling party is Noble Group Holdings Limited, a company registered in Bermuda. Copies of Noble Group Holdings Limited's financial statements can be obtained from the Group's head office at 18th Floor, China Evergrande Centre, 38 Gloucester Road, Hong Kong.

27. Subsequent events

On 30 September 2019, the Company underwent a recapitalisation exercise whereby the Company issued 10,000,000 fully paid Redeemable Preference Shares ("RPS") of US$1 in the share capital of the Company at a premium of US$27.12 per share to its parent Noble Netherlands B.V. in exchange for debt. These consideration shares rank pari-passu with the existing RPS of the Company and together will be considered to be one class of share. The RPS rank pari-passu with the ordinary shares in terms of dividend rights, are non-voting and have a preferential right upon return of capital.